

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION**

NCS MULTISTAGE INC.,

Plaintiff,

vs.

INNOVEX DOWNHOLE SOLUTIONS,
INC.,

Defendant.

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CIVIL ACTION NO. 6:20-cv-280

ORIGINAL COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff NCS Multistage Inc. (“NCS” or “Plaintiff”), by and through the undersigned counsel, hereby brings its Complaint for Patent Infringement against Defendant Innovex Downhole Solutions, Inc. (“Innovex” or “Defendant”).

NATURE OF THE ACTION

1. This is an action for patent infringement. NCS alleges that Innovex infringes the following NCS Patent, which is attached hereto as **Exhibit A**:

- U.S. Patent No. 10,465,445 (“the ’445 Patent”)

2. NCS alleges that Innovex infringes the ’445 Patent by making, using, offering for sale, and/or selling its Casing Floatation Device, a system used in downhole well completions. NCS seeks damages, injunctive, and other relief for Innovex’s infringement of the ’445 Patent.

THE PARTIES

3. Plaintiff NCS is a Canadian corporation is a Canadian corporation with a place of business at 700, 333-7th Ave SW Calgary, AB T2P 2Z1, and with worldwide headquarters at 19350 State Highway 249, Suite 600, Houston, TX 77070.

4. Upon information and belief, Defendant Innovex is a Delaware corporation with a principal place of business at N Sam Houston Parkway E, Houston, TX 77032.

JURISDICTION AND VENUE

5. This action for patent infringement arises under the Patent Laws of the United States, 35 U.S.C. § 1 *et. seq.* This Court has original jurisdiction under 28 U.S.C. §§ 1331 and 1338.

6. This Court has personal jurisdiction over Innovex. Innovex is a Texas resident, with headquarters in Houston, TX and offices and operations in at least 11 cities throughout Texas, including offices in Midland, TX, Denver City, TX, Levelland, TX, Odessa, TX, Pleasanton, TX, San Antonio, TX, and Andrews, TX, which are under the jurisdiction of the Western District of Texas.

7. Venue is proper in this district under 28 U.S.C. §§ 1391 and 1400(b) because Innovex has regular and established places of business in Midland, TX, Denver City, TX, Levelland, TX, Odessa, TX, Pleasanton, TX, San Antonio, TX, and Andrews, TX, which are within the jurisdiction of the Western District of Texas and, upon information and belief, Innovex has committed acts of patent infringement in this district.

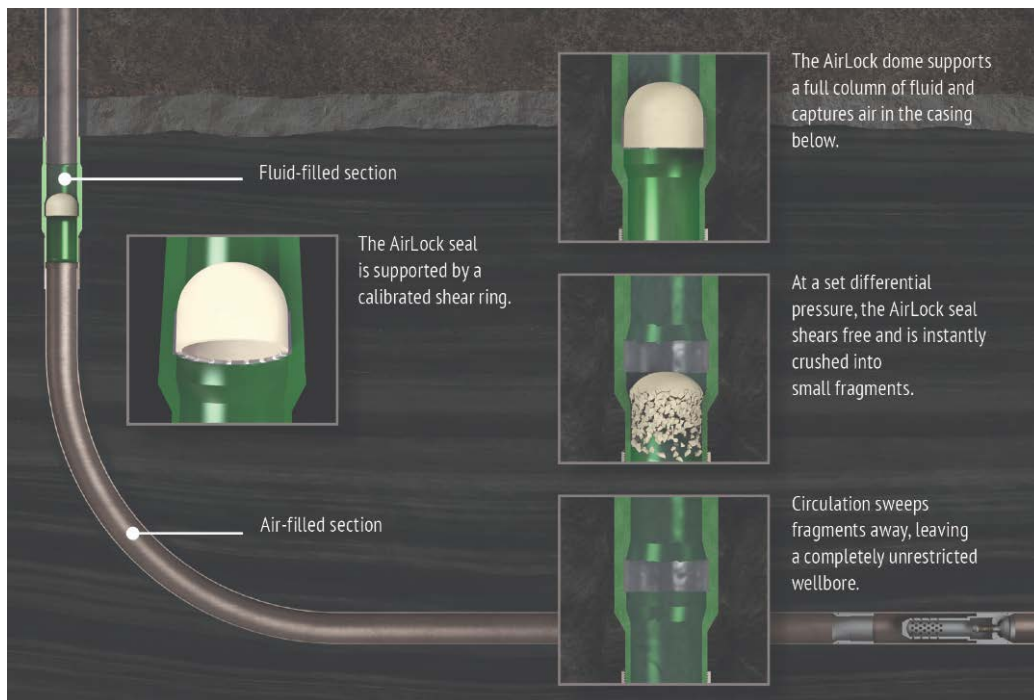
BACKGROUND

A. NCS

8. NCS is a leading technology and service company that specializes in multistage well completions. NCS initially formed in Canada in 2006 as NCS Oilfield Services and began developing downhole completion tools for conventional and unconventional completions. In 2008, NCS incorporated in the United States and established its world headquarters in Houston,

TX. Today, NCS has 20 offices in the U.S. and Canada, and operates in Argentina, China, Russia, the Middle East and the North Sea, with a record of over 10,000 field successes.

9. NCS is an expert in developing downhole tools like its AirLock® buoyancy system, a “casing float tool” covered by the ’445 Patent. As a casing string is run into the horizontal portion of a wellbore the casing string can drag on the bottom of the wellbore due to its weight and gravity. This makes it challenging to run the casing to the target zone. The AirLock® system is designed to create buoyancy in the casing string, so that the string is lighter and it is easier to run the casing into the wellbore. This is called “floating the casing” into the wellbore. Below is a picture of the patented Airlock® system.



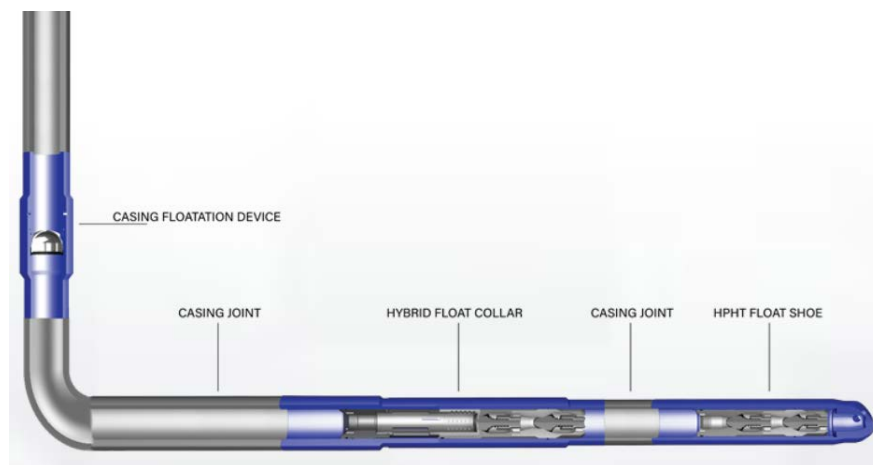
10. The AirLock® system (above in green) is a tubular body attached to the casing string (above in grey). Within the tubular is a rupture disc (above in white). The portion of the casing string above the rupture disc is filled with fluid. The portion of the casing string below the rupture disc is filled with air, which creates buoyancy in the lower portion of the string. This

enhanced buoyancy reduces sliding friction up to 50% while the enhanced weight of the vertical section provides the force needed to push the string all the way to the toe of the well. After the casing string is run to the target zone, hydraulic pressure is applied from the surface, which causes the rupture disc to disengage from the tubular walls and shatter. This process restores the internal diameter of the casing string so that fluid can freely flow through the casing string. More than 9,000 AirLock systems have been installed, and casing has landed on more than 99.9% of first attempts.

11. NCS invests substantial resources in innovation and the protection of its valuable intellectual property. To date, NCS has worldwide approximately 51 issued patents, including the '445 Patent that covers its AirLock® System, and 98 pending patent applications.

B. Innovex

12. Upon information and belief, Innovex is a Houston-based company that specializes in well construction, completion, and production solutions. Innovex markets the infringing Casing Floatation Device (See <https://innovex-inc.com/completions/float-subs/>). An image of the Casing Floatation Device from Innovex's marketing materials is depicted below.



13. According to Innovex's marketing materials, the Casing Floatation Device allows casing to be floated in the casing string, significantly reducing friction which allows the casing to

be run quickly and through the lateral portion of the casing. The Casing Floatation Device is a tubular body and has a rupture disc. After the casing is landed in the target zone, the Casing Float Device disc is ruptured by applying hydraulic pressure from the surface, which restores the internal diameter of the casing string.

C. NCS Notifies Innovex of Infringement Concerns

14. On November 1, 2019, NCS' Chief Executive Officer, Robert Nipper, contacted Adam Anderson, Chief Executive Officer for Innovex, to notify Innovex of the '445 Patent and NCS' concern that Innovex's Casing Floatation System infringed the '445 Patent. On December 16, 2019, counsel for NCS sent Mr. Anderson a letter inviting Innovex to license the '445 Patent, and included a claim chart demonstrating how Innovex's Casing Floatation System met the claims of the '445 Patent.

COUNT 1: INFRINGEMENT OF THE '445 PATENT

15. The allegations of paragraphs 1-14 of this Complaint are incorporated by reference as though fully set forth herein.

16. NCS owns by assignment the entire right, title, and interest in the '445 Patent.

17. The '445 Patent was duly and legally issued by the United States Patent and Trademark Office on November 5, 2019 and is entitled "Casing Float Tool." A true and correct copy of the '445 Patent is attached hereto as **Exhibit A**.

18. The '445 Patent is valid and enforceable under the laws of the United States.

19. Innovex has directly infringed and is directly infringing at least claims 4, 14-15, 19-20, 22-25, 27-34, 36-43, 46-48, 50-53, and 55-57 of the '445 Patent in violation of 35 U.S.C. § 271 *et seq.*, by making, using, offering for sale, and selling in the United States without authority the accused Casing Floatation Device. For example, as shown in the claim chart

attached hereto as **Exhibit B**, the Casing Floatation Device meets every element of claim 28 either literally or under the doctrine of equivalents.

20. Innovex has indirectly infringed and is indirectly infringing at least claims 22-25, 27, 50-53, and 55-57 of the '445 Patent in violation of 35 U.S.C. § 271 *et seq.* With knowledge of the '445 Patent, Innovex has induced and is inducing its customers to directly infringe the '445 Patent by directing, causing, instructing and/or encouraging Innovex's customers to use the Casing Flotation Device to perform the method of claims 22-25, 27, 50-53, and 55-57 of the '445 Patent. For example, upon information and belief, Innovex sells the infringing Casing Flotation Device to its customers. Innovex advertises to its customers that the device can be installed on casing and run into a well with the casing. The Casing Floatation Device creates buoyancy so that the casing can be "floated" to the target zone. Innovex advertises that once its customers run the casing to the target zone, they can apply surface pressure to rupture the disc in the Casing Flotation Device, which restores the casing diameter.

21. Innovex's infringement of the '445 Patent has been and continues to be willful and deliberate. Upon information and belief, Innovex has been on notice of its infringement of the '445 Patent since at least November 1, 2019, when Mr. Nipper notified Mr. Anderson of the '445 Patent and NCS' concerns about the infringing Casing Floatation System. However, upon information and belief, Innovex continued to use, sell, and offer to sell the accused Casing Floatation System, despite an objectively high likelihood that its actions constituted infringement of the '445 Patent.

22. As a result of Innovex's acts of infringement, NCS has suffered and will continue to suffer damages in an amount to be proved at trial.

PRAYER FOR RELIEF

WHEREFORE, NCS prays for the following relief:

- A. A judgment that Innovex has infringed the '445 Patent;
- B. An order enjoining Innovex, its officers, agents, employees, and those persons in active concert or participation with any of them, and Innovex's successors and assigns, from continuing to infringe the '445 Patent;
- C. An order awarding NCS its damages pursuant to 35 U.S.C. § 284;
- D. An order finding that Innovex's infringement has been willful and increasing the damages awarded to NCS to three times the amount assessed pursuant to 35 U.S.C. § 284;
- E. An order finding that this case is exceptional within the meaning of 35 U.S.C. § 285 and awarding NCS its attorneys' fees;
- F. An order awarding NCS prejudgment and post-judgment interest on its damages;
- G. An order awarding NCS its costs;
- H. An order awarding NCS any other and further relief as the Court deems proper.

Dated: April 8, 2020

Respectfully submitted,

/s/ Domingo M. Llagostera

Domingo M. Llagostera

(Attorney-in-charge)

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